

**Broome County Industrial Development Agency
Incentive Analysis**

*Project Name/Address: Vitaluna, LLC
122 State Street, Binghamton, NY 13901

Project Description: Renovation and equipping of a 60,000 +/- square foot building (55,651 +/- square feet of leasable space) with an underground 107+/- car parking garage located at 2 Court Street in the City of Binghamton to be used as a commercial office building.

Benefit

Investment

Land	}		
Building		\$	3,330,800
M&E/Materials		\$	1,700,000
Engineering Fees		\$	36,000
Other/Labor		\$	<u>15,000</u>
TOTAL INVESTMENT		\$	5,081,800
			<u>\$ 5,081,800</u>

Jobs

New	42
Retained	<u>61</u>
TOTAL JOBS	103

Annual Payroll \$ 4,270,000 (estimated with benefits)
Term # Years 10 years

TOTAL PAYROLL \$ 42,700,000 \$ 42,700,000

PILOT PAYMENTS (see Pilot Schedule) \$ 2,407,252

TOTAL BENEFIT \$ 50,189,052

Cost

*Property Tax Estimate

Fair Market Value

\$ 4,270,256

Equalization Rate

78%

Assessment

\$ 1,520,500

Assessment

\$ 3,330,800

per city assessor/pre-improvement value
per city assessor/post-construction value

Combined City/School/Tax Rate

87.018376

Summary Analysis of Full Tax Payments vs. PILOT Payments

See Attachment "A" of further breakdown of City, County and School Analysis

PILOT IN 8-10

3% ANNUAL RATE

Year	Assessment Full Value	Taxes paid if fully taxed	Assessment under the PILOT	Taxes paid under PILOT Agreement	Abatement (difference between taxes paid if fully taxed - taxes paid under PILOT)
1/1/2013	3,330,800.00	289,840.81	1,520,500.00	132,311.44	157,529.37
1/1/2014	3,330,800.00	298,533.73	1,520,500.00	136,279.73	162,254.00
1/1/2015	3,330,800.00	307,489.58	1,520,500.00	140,368.05	167,121.53
1/1/2016	3,330,800.00	316,715.86	1,520,500.00	144,579.82	172,136.04
1/1/2017	3,330,800.00	326,216.91	1,520,500.00	148,917.02	177,299.89
1/1/2018	3,330,800.00	336,003.81	1,520,500.00	153,384.71	182,619.10
1/1/2019	3,330,800.00	346,084.49	1,520,500.00	157,986.51	188,097.98
1/1/2020	3,330,800.00	356,466.99	1,520,500.00	162,726.09	193,740.90
1/1/2021	3,330,800.00	367,159.50	1,973,075.00	217,495.27	149,664.23
1/1/2022	3,330,800.00	378,173.69	2,425,650.00	275,404.41	102,769.28
1/1/2023	3,330,800.00	389,521.36	2,878,225.00	336,594.85	52,926.51
1/1/2024	3,330,800.00	401,204.50	3,330,800.00	401,204.50	-
		4,113,411.23		2,407,252.40	1,706,158.83

TOTAL ABATEMENT

SALES TAX ABATEMENT

(8% x 50% material cost: \$1,700,000/2 x 8%)

\$ 1,706,159

MORTGAGE RECORDING TAX

(1% on Mortgage Recorded - \$1,300,000)

\$ 68,000

AGENCY FEE

(1% Total Project Cost)

\$ 13,000

TOTAL COST

\$ (50,818)

NET BENEFIT/COST

\$ 1,736,341

Benefit/Cost Ratio

28.90 to 1

Comments:

The project is the re-development of a major office building in Downtown Binghamton. Mayor Ryan and Binghamton City Council recognized the importance of this project due to its significant contribution to the revitalization of the Downtown Business District. Therefore, the Mayor and City Council have requested that the Agency approve a special PILOT that deviates from the Agency's Uniform PILOT Program. The above PILOT Schedule reflects the former Empire Zones Program schedule used by the developer in his re-development business plan.

Vitaluna - 2 Court Street

Tax Calculations - Full Tax Proposal

Year	Assessment	Effective tax Rate plus 3% per year		
		County	School	City
1/1/2013	3,330,800.00	8.522972	38.072404	40.423
1/1/2014	3,330,800.00	8.778661	39.214576	41.635
1/1/2015	3,330,800.00	9.042021	40.391013	42.884
1/1/2016	3,330,800.00	9.313282	41.602743	44.171
1/1/2017	3,330,800.00	9.592680	42.850825	45.496
1/1/2018	3,330,800.00	9.880460	44.136350	46.861
1/1/2019	3,330,800.00	10.176874	45.460440	48.267
1/1/2020	3,330,800.00	10.482180	46.824253	49.715
1/1/2021	3,330,800.00	10.796645	48.228981	51.206
1/1/2022	3,330,800.00	11.120544	49.675850	52.742
1/1/2023	3,330,800.00	11.454160	51.166126	54.325
1/1/2024	3,330,800.00	11.797785	52.701110	55.954

County	Tax Bills		Totals
	School	City	
28,388.32	126,811.56	134,640.93	289,840.81
29,239.96	130,615.91	138,677.86	298,533.73
30,117.16	134,534.39	142,838.03	307,489.58
31,020.68	138,570.42	147,124.77	316,715.87
31,951.30	142,727.53	151,538.08	326,216.91
32,909.84	147,009.35	156,084.62	336,003.81
33,897.13	151,419.64	160,767.72	346,084.49
34,914.05	155,962.22	165,590.72	356,466.99
35,961.47	160,641.09	170,556.94	367,159.50
37,040.31	165,460.32	175,673.05	378,173.68
38,151.52	170,424.13	180,945.71	389,521.36
39,296.06	175,536.86	186,371.58	401,204.50
402,887.80	1,799,713.42	1,910,810.01	4,113,411.23

Tax Calculations - PILOT Proposal

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1/1/2014	1,520,500.00	8.778661	39.214576	41.635
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1/1/2022	2,425,650.00	11.120544	49.675850	52.742
1/1/2023	2,878,225.00	11.454160	51.166126	54.325
1/1/2024	3,330,800.00	11.797785	52.701110	55.954

County	Tax Bills		Totals
	School	City	
12,959.18	57,889.09	61,463.17	132,311.44
13,347.95	59,625.76	63,306.02	136,279.73
13,748.39	61,414.54	65,205.12	140,368.05
14,160.84	63,256.97	67,162.01	144,579.82
14,585.67	65,154.68	69,176.67	148,917.02
15,023.24	67,109.32	71,252.15	153,384.71
15,473.94	69,122.60	73,389.97	157,986.51
15,938.16	71,196.28	75,591.66	162,726.09
21,302.59	95,159.40	101,033.28	217,495.27
26,974.55	120,496.23	127,933.63	275,404.41
32,967.65	147,267.62	156,359.57	336,594.85
39,296.06	175,536.86	186,371.58	401,204.50
235,778.23	1,053,229.34	1,118,244.83	2,407,252.40